

Objectives

The objectives of the update to the Incentive Policy for Affordable Housing (IPAH) and the Zoning Code Affordable Housing Incentives are to:

- Revise the IPAH to better align with current city practices and policies, and community values.
- Simplify the Zoning Code's affordable housing incentives.
- Recalibrate the Zoning Code's affordable housing incentives to accurately align with the affordable housing unit contribution, policies, and community values and goals.
- Update the Zoning Code to implement the new IPAH policy.

Problem Statements

The problem statements with the update to the Incentive Policy for Affordable Housing (IPAH) and the Zoning Code Affordable Housing Incentives are:

- The IPAH and Zoning Code incentives need to be updated to reflect the current economic, market, and development conditions, and the diversifying demographic needs for affordable housing.
- The Arizona Revised Statutes prohibit counties and cities from requiring affordable housing and implementing rent controls on private developments.
- The zoning incentives for the Residential Sustainable Building Standards are easier to comply with and diminish the ability to implement the affordable housing incentives.
- The funds to provide fee waivers and reimbursements is not a recurring funding source, and the amount is inconsistent.
- The affordable housing incentive bonus provisions are considered too generous for the number of affordable housing units provided; i.e., is 10% the appropriate minimum percentage contribution, etc.?
- There are not separate affordable housing incentives for rental and ownership units.
- The IPAH and Zoning Code do not include a methodology to calculate an appropriate sales price for affordable ownership housing units; i.e., how should the cost differential between market-rate and affordable housing be calculated?
- The affordable housing incentives, associated definitions, and requirements of the Zoning Code are rigid and overly complicated.
- The Zoning Code's financial contribution/donation provision allowances have limited application, and do not allow in-lieu payments when units can be constructed on the property.
- The affordable housing incentives in the Zoning Code do not include equivalent calculations for in-lieu contributions.
- There are no provisions for developments that incorporate affordable housing units without utilizing the incentives.
- The Zoning Code allows for permanent and one-time affordable housing units; but, the IPAH only addresses housing units that are permanently affordable.

Scope of Work

A. The following is a summary of the work that will be completed:

- A review and update of the IPAH, which may include the development of new or alternative incentive policies.
- A review and update of Division 10-20.30 of the Zoning Code, which may include the development of new or alternative Zoning Code affordable housing incentives.
- A review and update of the applicable Sections of Division 10-20.30 of the Zoning Code to simplify and modernize the provisions.

Incentive Policy for Affordable Housing and Zoning Code Update

- A review and update of the application, staff review checklist, and process requirements for developments that utilize the affordable housing incentives.
 - Recommend modifications to the Zoning Code to remove existing provisions that diminish the ability to implement the affordable housing incentives (e.g., Sustainable Building Standards).
- B. The following is a summary of work that will not be included in this project:
- The identification of recurring funding source(s) to implement the IPAH and related Zoning Code incentives.
 - The simultaneous update to other City Codes or policies that may limit a developer's ability to provide affordable housing units.
 - The Residential Sustainable Building Standards will not be revised.
 - Lobbying for modifications to state and federal regulation.